

HOUSE BILL 489

By Lollar

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7 and Title 65, relative to municipal
utilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 6, is amended by adding the following
language as a new chapter:

6-57-101.

(a)

(1) By January 1, 2018, every municipal utility that provides services to customers who reside outside of the municipality's boundaries but in the county in which the municipality is located, shall provide at least one (1) seat on the utility's board to represent those customers.

(2) By January 1, 2018, every municipal utility that provides services to customers who reside in any county adjoining the county in which the municipality is located, shall provide at least one (1) seat on the utility's board to represent those customers.

(3) Notwithstanding any law to the contrary, the number of board members on the utility board may be increased to accommodate any additional seat added pursuant to subdivision (a)(1) or (a)(2). In addition to the seats added pursuant to subdivision (a)(1) and (a)(2), additional seats may be added to the utility board to avoid having an even number of board members.

(b)

(1) The county mayor representing the customers described in subsection (a) shall recommend a person to fill the new position created on the utility board pursuant to subsection (a). The city council or chief legislative body of the city that owns the municipal utility shall accept or reject the recommendation at a public meeting by a simple majority vote. If the recommended person is not accepted or rejected within thirty (30) days following the date of recommendation, the person is deemed accepted. If rejected, the county mayor shall recommend another person until the city council or chief legislative body of the city accepts the recommendation.

(2) Utility board members appointed pursuant to this subsection (b) shall not be city council persons or employees of the municipality, nor shall they receive any insurance benefits. The terms of the members shall be the same as other members of the utility board, and each member shall serve until a successor is selected and assumes office. If a vacancy occurs with respect to a member appointed pursuant to this subsection (b), the respective county mayor shall initiate the procedure set forth in subdivision (b)(1) to appoint a successor to fill the vacancy for the remainder of the unexpired term.

(c) Each member of the utility board appointed pursuant to subsection (b) shall be a customer of the municipal utility and shall not be an employee or member of the board of any other utility.

(d) If a municipal utility ceases to provide services to customers described in subsection (a), then the representation on the utility board for those customers shall terminate upon the expiration of the applicable member's term.

6-57-102.

This chapter applies only to municipal utilities whose service area is wholly located within this state.

6-57-103.

If this chapter and any private act conflict, this chapter controls.

SECTION 2. Tennessee Code Annotated, Section 7-52-118, is amended by deleting the section.

SECTION 3. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.